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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 11/26/08

INDEX:

INDEX:

- (1) 47 PERCENT of firms approve Aso's economic policies in survey two months after launch of his administration (Yomiuri)
- (2) Scope column: Government to put off setting up cabinet personnel bureau; Civil service system reform makes no headway, half-baked discussion on function, authority (Tokyo Shimbun)
- (3) Kanagawa, other base-hosting governors to hold liaison meeting with Japanese, U.S. governments in December (Kanagawa Shimbun)
- (4) Interview: Cluster ban treaty and its challenges (Mainichi)
- (5) Japan may be left out of expanded FTA among Pan Pacific nations (Nikkei)
- (6) Mid-term goal of cutting greenhouse gas emissions cut: Study group to propose several options possibly by June next year (Asahi)
- (7) TOP HEADLINES
- (8) EDITORIALS
- (9) Prime Minister's schedule, November 25 (Nikkei)

ARTICLES:

- (1) 47 PERCENT of firms approve Aso's economic policies in survey

two months after launch of his administration

YOMIURI (Page 8) (Full)  
November 26, 2008

Asked about the economic policy measures implemented by Prime Minister Taro Aso's cabinet since it was launched about two months ago, 47 of the 100 leading companies surveyed by Yomiuri said that they supported or somewhat supported them. This figure was nearly double the 25 firms that did not support completely or in part Aso's policy. Twenty eight firms gave no answer. According to the results of the survey, the rate of support by firms for the Aso cabinet, which gives priority to economic policy, was 47 PERCENT , slightly up from the 40.5 PERCENT in the nationwide survey conducted by the Yomiuri Shimbun in early November.

An automaker gave this specific comment: "Its stance of prioritizing economic policy over holding an election merits appreciation." A financial institute offered this opinion: "It has quickly come up with economic stimulus measures." As for the additional economic package announced in late October, a total of 56 firms supported the plan.

Asked about the planned scheme of fixed-amount cash handouts totaling 2 trillion yen, the central pillar of the package, 28 firms did not approve, outnumbering the 17 firms that gave a positive reply. The survey results showed that many firms did not approve of the cash-handout scheme. An electric machinery company presented this severe view: "It is inconceivable that the plan will contribute to boosting the economy from the base up." An energy firm said that

TOKYO 00003244 002 OF 010

unless people can feel assured under the nation's social security system, they would save the money.

Countries are now urged to hammer out measures to contain the current financial crisis, which triggered a global economic slowdown. Of the 100 firms, 48 expressed support of the idea of strengthening the oversight system and regulations over financial institutions. Sixteen companies, most of which are financial institutions, said that the current regulations were satisfactory, and two firms replied that the regulations should be relaxed. But a higher percentage of firms supported the idea of strengthening regulations.

As specific measures to ensure effective oversight and regulation of financial institutions (multiple answers), 30 companies called for promoting the disclosure of information on derivatives and other policies; and 24 firms and 23 firms cited the need to strengthen regulations governing hedge funds and rating agencies, respectively.

Asked about a hike of the consumption tax, many respondents remained cautious, with 35 firms saying that the tax should not be raised until the economy turns around; and 34 companies replying that the government should thoroughly cut its wasteful spending before discussing a consumption tax hike. With respect to the tax rate for daily necessities, including food, 37 firms said that the current tax rate of 5 PERCENT should be applied, while 16 PERCENT were negative about adopting a reduced tax rate for daily necessities.

(2) Scope column: Government to put off setting up cabinet personnel bureau; Civil service system reform makes no headway, half-baked discussion on function, authority

TOKYO SHIMBUN (Page 2) (Full)  
November 24, 2008

The government on Nov. 23 began coordination to put off the creation of a cabinet personnel bureau in fiscal 2009, which is one of the main features of civil service reform. Prime Minister Taro Aso will make a final decision on the matter after discussing it with Administrative Reform Minister Akira Amari. The reason is that many in the ruling coalition have called for a delay of the establishment because a discussion has been insufficient on what kind of authority and functions the planned personnel bureau should have.

The establishment of the cabinet personnel bureau is stipulated in the Basic Law on Reform of the Civil Service System, which was enacted in June. Bills related to reform of the civil service system, which include the overall picture of the proposed personnel bureau, are expected to be presented to the Diet by June 2009. However, the law has no provisions regarding the timing of the establishment.

Liberal Democratic Party (LDP) Administrative Reform Promotion Headquarters Chairman Koki Chuma intends to call for including expenses for the establishing of the personnel bureau in a draft budget for fiscal 2009. Former Administrative Reform Minister Yoshimi Watanabe, however, has objected to such an idea, arguing: "If the civil service system is not reformed even though the new personnel bureau is set up, the present promotion system of one's years of service in a ministry will remain as is." Watanabe has asserted that more time should be spent for consideration so that

TOKYO 00003244 003 OF 010

the personnel bureau will become a strong organization that can dispense reward and punishment and carry out private sector-level restructure.

Amari, who is caught between the two sides, said:

"One says that I am delaying the establishment of a personnel bureau, and the other says what I'm doing is fast and sloppy if a thorough discussion is not conducted on the functions of the bureau."

Regarding the functions of the personnel bureau, the advisory panel to the government's civil service system reform headquarters presented on Nov. 14 a report to Amari. The report cited the Planning and Control Division of the National Personnel Authority, the Aged Personnel Division of the Personal and Pension Bureau of the Ministry of Internal Affairs and Communications (MIC), and the allowance control section of the Budget Bureau of the Finance Ministry as sections that should be transferred to the proposed cabinet personnel bureau.

However, the ministries that were requested to transfer their sections to the planned new personnel bureau have already taken a stance of opposing the request. The report stipulated both the pros and cons regarding the transfer of the MIC's Administrative Management Bureau, which manages the fixed number of personnel of the ministries and agencies. Also, conclusions have not been reached on how far the cabinet personnel bureau has authority. Based on such a situation, the government has leaned to the judgment that it will be difficult to establish a cabinet personnel bureau in fiscal 2009.

Lawmakers who have called for an early establishment will inevitably criticize the government. Therefore, the government intends not to give the public the impression of retreating from its reform stance by formulating a roadmap for reform of the civil service system possibly before the end of the year.

(3) Kanagawa, other base-hosting governors to hold liaison meeting with Japanese, U.S. governments in December

KANAGAWA SHIMBUN (Online)  
November 25, 2008 (19:00)

The Japanese and U.S. governments, U.S. Forces Japan, and governors from 14 prefectures hosting U.S. military bases will hold a liaison conference at the Foreign Ministry on Dec. 3. In the wake of incidents and accidents involving U.S. military personnel, including a U.S. military deserter's fatal stabbing of a taxicab driver in Yokosuka in March, Kanagawa Gov. Shigefumi Matsuzawa and other governors asked the Japanese and U.S. governments this spring to hold a liaison conference.

The liaison conference will be held with the participation of representatives from the Foreign Ministry and the Defense Ministry on the Japanese side and representatives from the U.S. Embassy and

USFJ on the U.S. side for consultations with the base-hosting governors on base issues. The foreign and defense ministers and U.S. Ambassador to Japan Schieffer are making arrangements for their attendance, according to officials. Matsuzawa said: "We will be able to have an opportunity to directly convey the voice of local communities to the Japanese and U.S. governments. This means so much

TOKYO 00003244 004 OF 010

to us. We will convey local views to them so they will carry out the planned realignment of U.S. forces in Japan as scheduled, including the transfer of Atsugi-based carrier-borne aircraft. I also want to propose revising the Japan-U.S. Status of Forces Agreement."

The governors had initially called for the Japanese and U.S. governments to set up a special regional committee under their intergovernmental joint committee. However, the government was reluctant but instead acceded to the idea of holding a liaison conference. Matsuzawa said: "We will annually hold a regular meeting or two, and we will also make requests to them so we can hold an ad hoc meeting if and when there is a major change regarding base issues."

#### (4) Interview: Cluster ban treaty and its challenges

MAINICHI (Page 4) (Full)  
November 23, 2008

Nonsignatories also should be pressured to ban cluster bombs

Yukihisa Fujita, vice defense minister in the Democratic Party of Japan's shadow cabinet

Countries concerned about cluster bombs and nongovernmental organizations have worked together to push for negotiations, and there will be an anti-cluster treaty with the approval of more than 100 countries. This is significant. In 2001, the United States came under terrorist attacks. Since then, there have been wars in Afghanistan and Iraq. So we can appreciate the treaty that will prevent civilians from being involved. However, the draft treaty excludes state-of-the-art cluster bombs that have fewer bomblets. I wanted them to go further.

When the antipersonnel landmine ban treaty came into effect, nonsignatories also stopped using landmines. We can also expect the anti-cluster treaty to have similar effects. In the United States, Obama and his Democrat administration will come into office. The United States will not sign the treaty. Even so, the United States would be constrained.

The Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons (CCW) (involving the U.S., Russia, and China, which are opposed to restricting certain conventional weapons) requires a unanimous agreement for its decisions, so it's difficult to see progress. However, the international community, including Japan, should not only try to involve more countries but also should make efforts to prevent nonsignatories (such as the U.S., Russia, and China) from using certain conventional weapons. That's important.

The government was reluctant at first to create the treaty. However, House of Representatives Speaker Yohei Kono and other Dietmembers created a parliamentary league (against cluster bombs). This made the government change its attitude. Innocent children are killed in Afghanistan and Iraq. This fact probably pushed the government.

There are U.S. military bases in Japan. Their presence here should be for defense in the Far East. In Iraq and Afghanistan, however, there are U.S. troops that were sent from U.S. military bases in Japan. They presumably use cluster bombs over there. However, the government's position is that it has nothing to do with them once

TOKYO 00003244 005 OF 010

they are off from their bases in Japan. Japan should hold itself even more responsible.

I have the impression that Japan always follows other countries in disarmament negotiations, including the cluster bomb talks this time. Japan is the only atomic-bombed nation, so I want Japan to develop its diplomacy with more emphasis on humanity. As well as cluster bombs, depleted uranium munitions will also cause damage for a long time. This is also a big problem. It's more important than conducting refueling activities in the Indian Ocean. If Japan wants to be a permanent member of the United Nations Security Council, Japan should claim even more about this problem, too.

Alternative weapons needed for national defense

Gen Nakatani, chairman of the Liberal Democratic Party's Research Commission on Security

Unexploded bombs have been left as they are. That's why innocent people were killed or wounded. There must not be such a situation any more. We have negotiated on the treaty to ban cluster bombs from the perspective of humanity. The treaty itself will now be in place. This is significant in itself.

In the meantime, after the treaty is signed and ratified, and once the treaty comes into effect, we will be prohibited immediately from using cluster bombs, and basically we will be required to scrap all our cluster bombs in eight years' time. We need to consider alternatives so there will be no problem from the perspective of national defense, and we will also have to study how to fight in the future.

Japan currently has four types of cluster munitions (which will leave many of their submunitions or bomblets unexploded). The Defense Ministry is going to scrap them and will instead introduce single-warheaded weapons with no submunitions. We've so far discussed how to restrict cluster bombs. As a result, we will have more precise and modernized bombs. I can say this is a good aspect. Scrapping cluster bombs will cost much, but we should do so without delay.

Concerning the treaty that bans antipersonnel landmine, I tackled the issue, representing the LDP. When I was Defense Agency director general, I called on the defense chiefs of other countries to scrap landmines. Russia promised to scrap its landmines. However, Russia has yet to do so. The United States and China are reluctant. In the case of cluster bombs as well, Japan should call on other countries to scrap landmines in international cooperation.

In the CCW talks, the United States, Russia, and China (which are not expected to sign the anti-cluster treaty) have been continuing discussions. The ban treaty will be in place, so I hope the CCW convention will also impose similar restrictions.

In modern warfare, civilians must not be killed or wounded. That's a categorical imperative. In the future, if there are civilian casualties resulting from cluster bombs, and if such makes the news, then countries that used cluster bombs-even though these countries do not join the cluster ban treaty-will be under fire for their continued use of such prohibited weapons. Superpowers would find it difficult to use cluster bombs.

TOKYO 00003244 006 OF 010

When it comes to the disposal of unexploded landmines, a nonprofit organization of retirees from the Self-Defense Forces and volunteers in the private sector are working overseas and backing from the government. For the disposal of unexploded cluster bombs as well, the government should continue its backing through a similar framework.

(5) Japan may be left out of expanded FTA among Pan Pacific nations

NIKKEI (Page 5) (Full)  
November 22, 2008

The Trans-Pacific Economic Partnership Agreement (known as P4) signed by four Pan Pacific nations is expected to attract more

countries. In September, negotiations were launched for the U.S. to join the agreement. Following the U.S., Australia and Peru also expressed their intentions on the 20th in succession to participate in the accord. The Trans-Pacific agreement is now likely to become the core of economic integration in the region, an idea proposed by the Asia-Pacific Economic Cooperation Conference (APEC). Japan may be left out of economic partnerships in the Pacific Rim region.

The Trans-Pacific Agreement was signed by Singapore, New Zealand, Chile, and then Brunei. The accord is designed to promote the liberalization of trade in farm and industrial products, financial services, and investment rules. The four countries have decided to phase out all tariffs by 2015 in their transactions. The P4 is now expected to expand to P7 with the U.S. Australia, and Peru as new members.

Among the APEC member countries, Canada and Mexico reportedly is considering the possibility of participating in the agreement. Meanwhile, Japan, negative about opening up its market of farm products such as rice, has stayed out of the framework of P4, which is now expected to glow into a comprehensive free trade agreement (FTA) of APEC. Minister of Economy, Trade and Industry Toshihiro Nikai told reporters on the 20th after attending an APEC ministerial meeting: "It is impossible to form a consensus in the nation at present," indicating that Japan would not join the Trans-Pacific Agreement.

The U.S. and Australia have promoted wide-ranging FTA negotiations, also eyeing a plan to create a Pan-Pacific economic zone, keeping in mind the delayed process of setting new trade rules by the World Trade Organization. China has also accelerated moves to conclude bilateral agreements, as seen from its conclusion of a FTA with Peru. If Japan drops out of the partnership framework, it may not be able to enjoy benefits from free trade and investment.

(6) Mid-term goal of cutting greenhouse gas emissions cut: Study group to propose several options possibly by June next year

ASAHI (Page 6) (Full)  
November 26, 2008

The first meeting of the study group reporting to the Prime Minister's Office (Kantei) that is tasked with discussing a mid-term goal of cutting greenhouse gas emissions was held on November 25. Participants agreed to a plan to propose several options by around June next year. Setting a mid-term goal is the focus of attention in United Nations talks on a post-Kyoto Protocol framework. The government will explore the appropriate level for such a goal and

TOKYO 00003244 007 OF 010

watch for a chance to announce it, while paying close attention to the next U.S. administration, which is positive about taking measures to combat global warming.

Gap between reality and ideals

Participants were split into those who attach importance to energy policy and those who give priority to the environment. Each side voiced its views at the outset of the meeting. Yoichi Kaya, deputy executive director of the Research Institute of Innovative Technology for the Earth (RITE) said, "The greatest issues are whether it is possible to meet the goal and whether it is possible to shoulder the cost." Hironori Hamanaka, executive director of the Institute for Global Environment Strategies (IGES), stated, "It is important to indicate the feasibility of attaining the goal and to show the impact of climate change and its risks in quantitative terms."

The challenge of how to fill the gap between reality -- the extent cuts can be achieved using the present form of technology and industrial structure -- and ideal -- the amount of cuts necessary to reduce damage caused by global warming -- has already emerged.

The study group will discuss several projections in cooperation with Japan's prominent research institutes specializing in global environment and energy policy. The plan is to prepare options for a

mid-term goal, while coordinating outlooks for the future economic situation and the technologies that will be needed, preconditions for setting a mid-term goal. The plan also will take into account existing measures to curb global warming and the achievable amount of emissions cuts.

Toshihiko Fukui, chairman of the study group and former Bank of Japan (BOJ) governor was enthusiastic, "While adjusting the model, I want to prepare a framework the government can use to face international talks,."

However, according to many numerical estimates presented by various research bodies, Japan can achieve only a small amount of reduction, even if it spends the same amount of money as other industrialized countries do. This is because it has already made major-scale investments in energy saving for many years. Industrial circles are bound to express dissatisfaction, if industrialized countries set a mid-term goal in a lock-step way in talks on a post-Kyoto framework, which aim to reach an agreement late next year.

Close attention on next U.S. administration

With the 14th session of the Conference of Parties to the Climate Change Convention (COP14) close at hand, the government is paying close attention to the moves of the incoming Obama administration in setting a mid-term goal. It will hold a meeting of four related ministers, centered on the chief cabinet secretary, possibly on the 27th and coordinate external strategy, including how a mid-term goal should be set.

Obama this month gave a video speech at an international conference on the global warming issue. As a long-term goal to be achieved by 2050, he came up with an 80 PERCENT cut in comparison with the 1990 level, which is more ambitious than a 60 PERCENT -80 PERCENT cut advocated by the former Fukuda administration. However, when it comes to a mid-term goal, his proposal was reducing the amount of

TOKYO 00003244 008 OF 010

emissions to the 1990 level by 2020.

The mid-term goal proposed by the European Union (EU), which has thus far led UN talks, is a 20 PERCENT cut from the 1990 level. Japan welcomes Obama's proposal for reducing emissions to the 1990 level. One senior Foreign Ministry official said, "The proposal is convenient to Japan. Mr. Obama has indicated a clear-cut stance of seriously tackling measures to curb global warming." The government envisages a scenario of Japan and the U.S. cooperating to face the EU.

However, there is no guarantee that Japan's expectations will be met. EU officials are hastily approaching those who will be in charge of measures to deal with domestic global warming in the next Obama administration. Obama is positive about introducing emissions trading on the federal level the aim being to promote domestic measures to combat climate change. Some already take the view that the possibility of the EU and the U.S. becoming closer may be more realistic than the possibility of Japan and the U.S. cooperating with each other, as one government source put it.

(7) TOP HEADLINES

Asahi: Tokyo Shimbun  
Suspect in murder, assault incidents involving ex-welfare officials found to have several million yen in debts; Plotted to attack five households in three days

Mainichi: Nikkei  
U.S. unveils 800 billion dollar package to cope with credit crunch

Yomiuri:  
Government plans to require hearings of opinion from victims, bereaved families if those sentenced to life imprisonment are released on parole

Sankei:  
Kim Hyon Hui criticizes "pro-North Korea" Roh Moo Hyun

administration

Akahata:

No monitoring system to prevent resale of foreign farm products imported for nonfood use

(8) EDITORIALS

Asahi:

- (1) Challenges await new U.S. economic team
- (2) Postponement of submission of second supplementary budget bill to Diet session: Where can we find politics that does not back away from problems

Mainichi:

- (1) Postponement of submission of second supplementary budget bill to Diet session makes no sense
- (2) Bailout of Citigroup: No exit from crisis in sight

Yomiuri:

- (1) Extension of Diet session: Time for prime minister to re-solidify his foothold
- (2) New U.S. economic ministers: Lineup of technocrats to face financial crisis

TOKYO 00003244 009 OF 010

Nikkei:

- (1) New U.S. administration to aim to reconstruct economy, led technocrats
- (2) Postponement of second supplementary budget to Diet session illogical

Sankei:

- (1) Postponement of second supplementary budget to Diet session: Where has Prime Minister Aso's determination to materialize policy gone?
- (2) Lineup of U.S. economic ministers: Make preemptive move to overcome financial crisis

Tokyo Shimbun:

- (1) Postponement of second supplementary budget to Diet session: Prime minister's explanation incomprehensible
- (2) South Korea and North Korea: Lee administration should settle down in dealing with Pyongyang

Akahata:

- (1) Group of Article 9: Grass-roots power to apply the Constitution
- (9) Prime Minister's schedule, November 25

NIKKEI (Page 2) (Full)  
November 26, 2008

10:34

Arrived at Haneda Airport by government plane.

11:09

Called at the Imperial Palace to report his return.

11:32

Arrived at his private residence in Kamiyama-cho.

13:36

Met New Komeito Secretary General Kitagawa at the Kantei. Followed by Chief Cabinet Secretary Kawamura.

13:43

Met Kawamura, Finance Minister Nakagawa, Economy, Trade and Industry Minister Yosano, LDP Secretary General Hosoda, Kitagawa, and others.

14:35

Met Education, Science and Technology Minister Shionoya and Vice Minister Zeniya.



15:18

Met Director of Studies at the IISS Cronin. Later met Deputy Chief Cabinet Secretary Uruma.

16:55

Attended an attestation ceremony for Supreme Court Chief Justice Takesaki and then a ceremony for Sendai High Court Chief Justice Chiba.

18:25

Dined with Otsuji, chairman of the LDP Upper House caucus, Upper House Diet Affairs Committee Chairman Suzuki, and others at a

TOKYO 00003244 010 OF 010

Japanese restaurant in the Grand Prince Hotel Akasaka, also joined by Chief Cabinet Secretary Kawamura and Deputy Chief Cabinet Secretary Konoike.

20:33

Met Cronin at a pub in the Imperial Hotel.

22:27

Returned to his private residence.

SCHIEFFER